

REMARKS

Claims 1-26 are pending.

Claims 1-26 are rejected.

Claims 1, 13, 14, and 26 are amended.

Claim 1 is amended eliminate terms such as "consumers", "digital television network" and "digital television receiver" from the claim. In addition, step d was amended to provide the user with a selection of what physical format should be used to store an item that is being purchased. Support for this aspect of the invention is found in the specification on page 2, lines 13-18, page 9, lines 2-6, and in other places. Claim 1 is further amended by stating that a downloaded item cannot be stored in a physical format that was not selected. The physical formats capable of being used for storing an item is either a disc based format or a magnetic based storage device. Support for this amended is also found in the specification on page 2, lines 13-18, page 9, lines 2-12, and in other places.

Claim 13 is amended to cite that item may be encrypted. Support for this amendment is found in the specification on page 9, lines 7-12.

Claim 14 is amended to eliminate terms such as "consumers" and "digital television receiver" from the claim. In addition, additional steps are added to the claim stating at a selected item is downloaded and selected to be stored in a selected storage format, at the time of purchase, where the item is prevented from being stored in other storage formats. Support for this amended is found in the specification on page 2, lines 13-18, page 9, lines 2-12, and in other places.

Claim 26 is amended to cite that item may be encrypted. Support for this amendment is found in the specification on page 9, lines 7-12.

No new matter was added in view of these amendments.

I. 35 U.S.C. § 102 Rejection of Claims 1-5, 7-18, 20-23

The Examiner rejected Claims 1-5, 7-18, and 20-23 under 35 U.S.C. 102(e) as being anticipated by to Lewis, (U.S. Patent Publication #2005/0144641, hereafter referred to as 'Lewis'). Applicants disagree with this ground of rejection.

Claim 1, as amended, claims the steps of, "said item after being purchased wherein during said purchase transaction the item is selected as being capable of being stored for the physical medium of a magnetic based storage device or for a physical medium of a disc based storage device; e) storing said item in the selected physical medium, wherein said item is restricted from being stored in physical medium that was not selected.' These steps are neither disclosed nor suggested in Lewis.

Specifically, Lewis discloses that copy protection may be used to prevent an item from being copied again (see Lewis, paragraph 213-214). The present invention however can be distinguished over Lewis in that the invention does not prevent a downloaded item from being copied again, rather that them cannot be stored to a storage format that was not selected (between a magnetic storage and an optical disc based medium). That is, presumably an item can be stored on an optical disc, but not on a magnetic storage device (the opposite would be true if an item is selected to be downloaded to a magnetic storage device where the item could not be stored for an optical storage device).

Claims 14 is patentable for the same reason as Claim 1, where an item can only be stored to a selected storage format, and additional copies of said item can only be made for said selected storage format. This is different than what is disclosed in Lewis. For example, copy protection prevents an item from being ever copied again, which is different than what is claimed in the present invention.

For the reasons given above for Claims 1 and 14 are patentable over the cited art of record. In additional Claims 2-5, 7-13, and Claims 15-18, and 20-23 are patentable as such claims depend on allowable Claims 1 and 14, respectively.

II. 35 U.S.C. § 103 Rejection of Claim 6 and 19

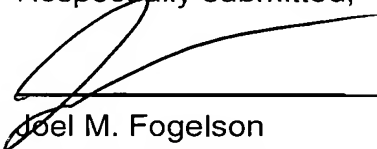
The Examiner rejected Claims 6 and 19 in view of Lewis and in further view of the Examiner's Official Notice.

In view of the amendments made to Claims 1 and 14, Applicants assert Claims 6 and 19 are patentable as such claims depend on allowable Claims 1 and 14, respectively.

Applicants request a three-month extension from the March 28, 2006, the date for which this response was originally due. Please charge the fee for this extension, and any other fees owned in connection with this action to Deposit Account 07-0832.

Having fully addressed the Examiner's rejections it is believed that, in view of the preceding amendments and remarks, this application is in condition for allowance. Accordingly, reconsideration and allowance are respectfully solicited. If, however, the Examiner is of the opinion that such action cannot be taken, the Examiner is invited to contact the Applicants' attorney at (609) 734-6809, so that a mutually convenient date and time for a telephonic interview may be scheduled.

Respectfully submitted,

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